From: Darrell Simon
To: Microsoft ATR
Date: 1/26/02 6:56am
Subject: Microsoft Settlement

I am a U.S. citizen and resident of Texas.

The proposed settlement with microsoft fails on the following points:

- 1) Restoration of a competitive operating systems environment. The remedy seems to perpetuate Microsoft's monopoly power, not nullify it. This settlement isn't going to breathe new life into the desktop OS market.
- 2) Protection of the consumer. A monopoly can be legitimately maintained in a free market by a combination of the lowest price and the best features. I can buy a "professional" distribution of Linux for \$75 that includes 6 cds of software--development tools, databases, an office suite, two different desktop environments. For Windows XP Home edition, I have to pay \$99 [to upgrade--\$150 to purchase new] and I get an applications environment, a web browser and some media tools (on 1 cd).

If I want to run Windows XP Pro, I have to pay between \$200-\$300 depending on whether I am upgrading or purchasing it new. XP Pro adds some server-capability software. If I want office applications, I have to pay \$200-\$500 for Office XP (depending upon which applications I need to use) For development tools, I would pay \$250 for a C++ compiler, \$1000 for the entire "Visual Studio" line from microsoft.

Let's re-iterate:

Linux Professional Environment - \$75 Microsoft Professional Environment - \$1800

Oh, and with Linux, I can run it on as many machines as I own. With windows, I need to pay again for each machine I have in my house.

This is not free-market pricing; this is monopoly pricing. The final settlement doesn't redress the monopoly situation, the final settlement preserves the monopoly.

If the final settlement is going to preserve the monopoly, can't it at least soften the blow to my pocketbook somehow?

Here are some alternate remedies:

1. Set a price ceiling for Microsoft Software: Tie the price for Microsoft Software to 2 times the price for Linux. Make sure that their software distribution contains what Linux does. I'd gladly pay \$150 to get all the Microsoft Suite of software (i.e. Windows XP, Office XP, Visual Studio). So would a lot of people. At that rate, Microsoft might get people to upgrade more often, rather than waiting as long as possible to avoid paying their monopolistic gouge price. It's not a free market solution, but, hey, they're

the ones who abused the market system and contracts to preserve their monopoly position.

2. Free upgrade for all (U.S) users.

Windows XP only sold 17 million copies in its first quarter (source:Microsoft 2Q FY2002 earnings release). What's wrong with the other 200 million of us that haven't upgraded yet? We get an upgrade, they get to stop supporting Windows 95, 98, NT, 2000 and ME. No, this doesn't really redress the problems of their competitors, but at least everybody gets a good software upgrade, right?

What will this cost them? I can buy a writable CD for \$.09. I'm sure they get theirs for cheaper. For 200 million copies, their material outlay is only \$20 million. The Microsoft Second quarter FY2002 earnings release indicates that they spent \$660 million dollars in the quarter on lawyers. This is like a drop in the bucket for them. Spare me the boxed packaging—just give me the CD.

3. Different Licensing Model

One person, one license for microsoft software, one fee for all of it. I have two computers at home (two different Windows vintages). At work I have two different work areas, each with a different desktop machine (One Windows NT, one Windows 2000). I sometimes use a laptop (Win 98). I work with people who use PDAs (Windows CE). In a given day, I might have contact with 4-6 different copies of Microsoft windows software, not to mention other applications. Between me and my company, we pay Microsoft 4-6 times for one person. We should set up a different licensing model so that between me and my company, we aren't paying for microsoft on 6 different copies of the same software because we are running multiple machines that I happen to touch every day.

This solution doesn't break the monopoly, either. But it might protect the Microsoft customers against multiple license payments for the same user to use the same tools on different machines. This probably still lets Bill & Co make fists full of dollars.

Ok. So, I don't know if any of my suggestions are the holy grail, and of course lawyers would have to pound on all of these to make them work. But...

The current settlement doesn't do a damn thing for the consumer/end user, doesn't end Microsoft's monopoly power, doesn't dilute that power much and probably won't solve anything.

Thanks for listening -Darrell Simon

I know this is a simplistic suggestion, but, look, anyone who can afford to spend \$660 million in a single quarter on lawsuits is going to find some type of loophole in any "fair" settlement (or rather, build in a loophole and get you to sign).